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COMMERCE FOR THOFFMAN

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SUBJECT: COMMERCE MINISTER CALLS FTA A TURNING POINT

FTA Will Expand Relations

1. The Ambassador met with Minister of Commerce Ali Bin Saleh Al Saleh on September 15 to discuss the U.S.-Bahrain Free Trade Agreement (FTA) and the potential for increased cooperation between U.S. and Bahraini businesses. Al Saleh noted that this year had been a "turning point" in the U.S.-Bahrain bilateral relationship, particularly in economic and commercial relations. The Ambassador pointed to the rapid negotiation of an FTA as evidence of that good relationship as well as the non-controversial nature of concluding the agreement with Bahrain.

Bahrain: Gateway to the Gulf

2. The Ambassador called the FTA a model for others in the Gulf and an important launching point for U.S. efforts to promote open markets in the region. Al Saleh said the FTA fit in well with Bahrain's own policy of promoting regional free trade and becoming the "Gateway to the Gulf." He added that the GOB is also very aware that ensuring public security and stability are key to realizing its economic development goals.

Bahraini Expectations High for FTA

3. Al Saleh pointed out the high expectations of the public as FTA implementation draws near. He acknowledged the need to redouble GOB efforts to explain to Bahraini business how they might benefit from the FTA and asked for close cooperation with the U.S. The Ambassador called FTA implementation a major focus of the USG and promised that the U.S. Embassy would work closely with the GOB and organizations like the newly founded American Chamber of Commerce to highlight the FTA. He added that the FTA is a unique opportunity to spotlight doing business with Bahrain, but the window of opportunity to make an impact is finite. Without real opportunities for U.S. business in Bahrain, the impact of the FTA will remain symbolic. The USG is now focusing its efforts on ensuring the FTA passes Congress before the election. He suggested that the GOB work closely with parliament to ensure ratification.

MONROE